



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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September 11, 2002

CERTIFIED RETURN RECEIPT
7099 3400 0016 8895 6542

Don Summit, PE
Ash Grove Cement Company
P.O. Box 51
Nephi, Utah 84648

Re: Five-Year Review of Reclamation Surety Estimate, Ash Grove Cement Company,
County Canyon Shale Quarry, M/023/024, Juab County, Utah

Dear Mr. Summit:

Thank you for providing the requested information regarding the five-year review status of your County Canyon Shale Quarry, located in Juab County, Utah. The last surety estimate for this mine was \$93,000 in 2001 dollars. Upon review of the information furnished by Ash Grove, which stated that there had been no changes at the site, we find we only need to escalate the present bond for a five-year period.

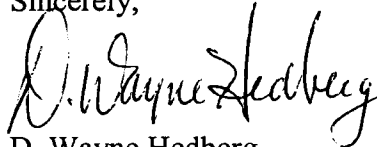
The surety for the County Canyon Shale Quarry escalated to the year 2007 is \$123,400. A Surety Estimate Update is attached for your use. Please provide the updated surety within 60 days or no later than November 12, 2002.

You may provide a rider to the existing surety; however, if you choose to post another form of surety, please contact Joelle Burns at (801) 538-5291 to obtain the current bonding forms or you may access the current forms on the internet at www.nr.utah.gov. We will require that you also replace the Reclamation Contract, which is also located on the web. If you provide a rider to the existing surety, only minor changes will be required on the Reclamation Contract. Please fax a "draft" copy of the documents so we can review them for completeness and accuracy before they are finalized.

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M023/024
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If you are unable to provide the surety within this timeframe, please contact the Division with justification for requesting additional time. Thank you for your help in keeping the surety current. If you have any questions concerning this letter, please contact Doug Jensen at (801) 538-5382.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Wayne Hedberg". The signature is fluid and cursive, with the first name "D." and last name "Hedberg" clearly distinguishable.

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

sm

Attachment: Surety estimate update

cc: Larry Garahana, BLM, Filmore FO
Doug Jensen, DOGM

P:\GROUPS\MINERALS\WP\M023-Juab\M0230024CountyCanyon\Final\M023-024-bondescal.doc

RECLAMATION SURETY ESTIMATE Ash Grove Cement Company County Canyon Shale Quarry DOGM file Number M/023/024 Prepared by Utah State Division of Oil, Gas & Mining					last revision 09/11/02/02 filename M023-024.WB2 Juab County
-Disturbed Areas -Haul Roads 7.4 Acres -Mine Site 22.9 Acres -Total 30.3 Acres					
Note: actual unit costs may vary according to site conditions					last unit cost update 2-Aug-00
-Amount of disturbed area which will receive reclamation treatments =					26 acres
-Estimated total disturbed area for this mine =					30.3 acres
Activity	Quantity	Units	\$/unit	\$	Note
Safety gates, signs, etc. (mntls & installation)	1	sum	\$200	\$200	
Topsoil - Overburden Salvage					
Mine Area	18553	CY			
Halu Roads	4381	CY			
Backfill - Regrade 200 hp Dozer					
Excavate & Remove Road Culverts	460	CY	\$2.08	\$957	
Fill Material - Haul Roads	1490	CY	\$2.61	\$3,889	
Backfill - Regrade - Mine Site	18553	CY	\$2.05	\$38,034	
Ripping - 200 hp Dozer					
Place & Rip Topsoil- Overburden - Haul Road	4381	CY	\$2.61	\$11,434	
Place & Rip Topsoil - Overburden - Mine Site	18553	CY	\$1.18	\$21,893	
Drainage Reconstruction - Rip Rap - Machine Placed					
Side Canyon Drainage	211	CY	\$34.78	\$7,339	
Revegetation					
Revegetate Haul Roads	7.4	acre	\$225	\$1,665	
Revegetate Mine Site	18.6	acre	\$225	\$4,185	
Composted Manure Fertilizer (10 tons/acre)	26	acre	\$300	\$7,800	
General site cleanup & trash removal	5	acre	\$50	\$250	(00)
Equipment mobilization	3	equip	\$1,000	\$3,000	(00)
Reclamation supervision	5	days	\$386	\$1,930	(15)
10% Contingency		Subtotal		\$97,645	
				\$9,764	
		Subtotal		\$107,409	
Escalate for 5 years at 2.82% per year				\$16,023	
		Total		\$123,433	
Rounded surety amount in year 2007 \$				\$123,400	
Average cost per disturber acre =				\$4,074	

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|------|--|
| (00) | DOGM general estimate - manure \$16/ton delivered, \$14 ton/acre spreading |
| (00) | DOGM general estimate - broadcast seeding |
| (00) | DOGM general estimate - site cleanup & trash removal |
| (00) | DOGM general estimate - equipment mobilization |
| (15) | Means 2000, 01300-700-0180, project manager, minimum \$1,930/wk |